



March 27, 2009

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# ENGROSSED HOUSE BILL No. 1300

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DIGEST OF HB 1300 (Updated March 25, 2009 4:09 pm - DI 104)

**Citations Affected:** IC 27-1; noncode.

**Synopsis:** Health provider patient limit study. Requires specified insurers to provide information to the insurance commissioner concerning the costs and savings of implementing direct reimbursement to out-of-network health care providers. Requires the health finance commission to study: (1) health plan provider contract provisions that would require a contracted provider to accept more than a certain number of patients; and (2) whether an insurer should be required to directly reimburse an out-of-network health care provider. Requires the health finance commission to report its findings and recommendations to the legislative council before November 1, 2009.

**Effective:** Upon passage.

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**Welch, Brown C, Brown T, Dodge**

(SENATE SPONSORS — MILLER, ERRINGTON, GARD)

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January 13, 2009, read first time and referred to Committee on Insurance.  
February 19, 2009, amended, reported — Do Pass.  
February 23, 2009, read second time, ordered engrossed. Engrossed.  
February 24, 2009, read third time, passed. Yeas 95, nays 0.

SENATE ACTION

March 2, 2009, read first time and referred to Committee on Health and Provider Services.  
March 26, 2009, amended, reported favorably — Do Pass.

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March 27, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1300

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A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 27-1-3-31 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: **Sec. 31. (a) Not later than July 1, 2009, each**  
4 **insurer that issues accident and sickness insurance policies (as**  
5 **defined in IC 27-8-14.2-1) and each health maintenance**  
6 **organization shall provide the commissioner with the following**  
7 **information concerning the savings and costs of implementing**  
8 **direct reimbursement for a health care service provider that is**  
9 **out-of-network and that provides services to an insured or**  
10 **enrollee:**  
11 (1) The costs incurred or savings experienced by the insurer  
12 or health maintenance organization in implementing direct  
13 reimbursement for providers described in this section.  
14 (2) Operational costs incurred or savings experienced in  
15 implementing direct reimbursement for the providers  
16 described in this section.  
17 (3) The number of additional health care service providers, by

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specialty, that would be reimbursed by the insurer or health maintenance organization after the insurer or health maintenance organization implemented direct reimbursement.

(4) Any other costs or savings that the insurer, health maintenance organization, or commissioner determines to be relevant to direct reimbursement.

(b) This section expires December 31, 2009.

SECTION 2. [EFFECTIVE UPON PASSAGE] (a) The health finance commission established by IC 2-5-23-3 shall, during the 2009 interim, study:

(1) the effect on insurers, health care providers, insureds, and other patients of a provision in an agreement with a provider under IC 27-8-11-3 requiring the provider to accept as patients more insureds than:

(A) the number of insureds specified in the agreement; or

(B) if there is not a number of insureds specified in the agreement, the number that, in the provider's professional judgment, is the greatest number of insureds that the provider is able to accept without endangering the provider's patients' access to or continuity of care;

(2) the effect on health maintenance organizations, participating providers, enrollees, and other patients of a provision in a contract between a health maintenance organization and a participating provider requiring the participating provider to accept as patients more enrollees than:

(A) the number of enrollees specified in the contract; or

(B) if there is not a number of enrollees specified in the contract, the number that, in the participating provider's professional judgment, is the greatest number of enrollees that the participating provider is able to accept without endangering the participating provider's patients' access to or continuity of care; and

(3) any other issue related to a provision described in subdivision (1) or (2), as determined by the health finance commission or the legislative council.

(b) The health finance commission shall, not later than November 1, 2009, report the health finance commission's findings and recommendations concerning the study conducted under subsection (a) to the legislative council in an electronic format under IC 5-14-6.

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1       (c) The health finance commission shall, during the 2009  
2       interim, study whether an insurer should be required to directly  
3       reimburse a provider that is out-of-network for services provided  
4       to an insured or enrollee. In consideration of this issue, the  
5       commissioner of the department of insurance shall provide the  
6       health commission with the actuarial information collected under  
7       IC 27-1-3-31, as added by this act.

8       (d) This SECTION expires December 31, 2009.

9       SECTION 3. An emergency is declared for this act.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1300, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning insurance.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1300 as introduced.)

FRY, Chair

Committee Vote: yeas 8, nays 0.

## COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1300, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the tile and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 27-1-3-31 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 31. (a) Not later than July 1, 2009, each insurer that issues accident and sickness insurance policies (as defined in IC 27-8-14.2-1) and each health maintenance organization shall provide the commissioner with the following information concerning the savings and costs of implementing direct reimbursement for a health care service provider that is out-of-network and that provides services to an insured or enrollee:**

**(1) The costs incurred or savings experienced by the insurer or health maintenance organization in implementing direct**

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reimbursement for providers described in this section.

(2) Operational costs incurred or savings experienced in implementing direct reimbursement for the providers described in this section.

(3) The number of additional health care service providers, by specialty, that would be reimbursed by the insurer or health maintenance organization after the insurer or health maintenance organization implemented direct reimbursement.

(4) Any other costs or savings that the insurer, health maintenance organization, or commissioner determines to be relevant to direct reimbursement.

(b) This section expires December 31, 2009."

Page 2, line 18, after "(c)" insert "The health finance commission shall, during the 2009 interim, study whether an insurer should be required to directly reimburse a provider that is out-of-network for services provided to an insured or enrollee. In consideration of this issue, the commissioner of the department of insurance shall provide the health commission with the actuarial information collected under IC 27-1-3-31, as added by this act.

(d)".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1300 as printed February 20, 2009.)

MILLER, Chairperson

Committee Vote: Yeas 9, Nays 0.

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